


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.E.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

March 9, 2007

To: Joe T. San Agustin, Board Chairman

From: Wilfred Leon Guerrero, Investment Committee Chairman

Subject: Investment Committee Meeting of February 23, 2007

I. On February 23, 2007, the Fund held its regular investment committee meeting. In attendance were Trustees Dr. Taylor, Gerard Cruz, Joe T. San Agustin and I. Other attendees were Paula Blas, Diana Bernardo and Rosalie Bordallo.

- During the meeting, the Committee reviewed and approved the minutes for the January 26, 2007 Committee Meeting.

II. On March 7 and 8, 2007, the Committee met with Terry Dennison and Ashish Shrestha, from Mercer Investment Consulting Inc, our Investment Consultant, to discuss investment manager performances for the first quarter of FY2007.

The Committee also met with representatives of the following investment management firms to discuss their performance for the past year.

1. Fisher Investments
2. AXA Rosenberg
3. Dimensional Fund Advisors, Inc
4. Capital International, Inc
5. Aberdeen Asset Management
6. Franklin Templeton

The following items were discussed and approved by the Committee for Board action.

A. The Committee recommends that the Board accept the recommendation of our investment consultant, Mercer Investing Consulting, presented on page 9 of their fiscal year 2007 first quarter report, to retain the following investment managers at this time:

1. Atalanta/Sosnoff Capital Corporation
2. Metropolitan West
3. Fisher Investments
4. AXA Rosenberg (for international large cap)
5. AXA Rosenberg (for international small cap)
6. Dimensional Fund Advisors
7. Aberdeen Asset Management
8. Capital International

B. The Committee recommends that the Board accept the recommendation of our investment consultant, Mercer Investment Consulting, Inc., to retain for the present, the following investment managers for which searches are pending or underway:

1. Davis Hamilton Jackson & Associates
2. RCM Capital Management
3. Allianz Dresdner Asset Management (Oppenheimer)
4. Franklin Templeton